

MICHIGAN STATE WATERWAYS COMMISSION
REGULAR MEETING

Minutes of the meeting of
October 3, 2003
South Haven City Hall
539 Phoenix
South Haven, Michigan

A regular meeting of the Michigan State Waterways Commission was called to order by Chairman Winn at 9:00 a.m. on Friday, October 3, 2003, in South Haven City Hall, South Haven, Michigan. The following Commissioners were present:

John Winn, Chairman
Frank Opolka, Vice-Chairman
David Giffin
Peter Beauregard
Bob Spicer
John VanderMolen

George Burgoyne, Resource Management Deputy and Lansing staff were present.

Vice-Chairman Opolka requested a moment of silence in memory of Rick Asher, Chief, Law Enforcement Division, who passed away on August 8, 2003.

Chairman Winn thanked the City of South Haven for their hospitality. Mr. Kevin Anderson, City Manager, welcomed the Commission to South Haven.

Upon motion of Commissioner Spicer, seconded by Commissioner VanderMolen, the minutes of the August 8, 2003 meeting in Traverse City were approved.

Mr. Louis Guerreso, President of Launch One, Birmingham, provided an outline of a proposal he will make to the Department of Natural Resources (DNR) to provide project management for 731 boating access sites across the state of Michigan. Guerreso said he believes his company can provide this service based upon their experiences with the Ludington Pump Storage project as the planner and manager of that project. In addition, Launch One recently completed the Harrison Township boat launch. He claimed projected savings to the state of over 2 million dollars on a project that now cost the state 8.4 million dollars.

In response to Commissioner Opolka's question, Mr. Guerreso stated he met with Bill Boik and Harold Herta. Mr. Boik stated they have not reviewed the proposal yet as they just received it.

Commissioner Giffin expressed his support for outsourcing, but believes this project must have careful evaluation. He stated his concerns that, while the DNR could potentially

save two million dollars, the scope and size of the project is a large undertaking with huge infrastructure issues, and DNR staff efforts may be needlessly expended by checking on Launch One's progress.

Mr. Harold Herta provided an update on the Chicago to Mackinac Island race. Following the race, it was apparent that a few points of the agreement signed by the Chicago Yacht Club (CYC) and the DNR were not adhered to by the Chicago Yacht Club: Race Committee personnel were not present on the dock following the race nor was radio communication available; post-race meeting was not attended; five vessels were still in the harbor following the mandatory noon check-out with one vessel remaining overnight. Commissioner Giffin requested the names of the boats and owners. Mr. Herta said he would provide the names to the Commission.

Commissioner Winn commented that the race has a rich tradition and the Commission certainly wants it to continue. The implementation of the Central Reservation System (CRS) has improved the process for reserving slips since the last time there was a problem with race rule compliance a number of years ago.

The Chicago Yacht Club was represented by Mr. David Daul, Rear Commodore – CYC; Mr. Rick Lillie, Incoming Chairman for 2004 – Mackinac Committee; Mr. Shawn O'Neill, 2003 Chairman – Mackinac Committee; Mr. Andy Kiener, 2004 Dockmaster – Mackinac Committee; and Mr. Dick Schweers, Island Representative – Mackinac Committee.

Mr. Shawn O'Neill stated the CYC takes their responsibility seriously and as it is his name and his signature on contract, he wants to fulfill his end of the bargain. He has worked with Tom Paquin and his own committee to devise a plan of action so this situation does not occur again.

Mr. Rick Lillie reiterated that the contract between the CYC and the DNR is taken seriously by the CYC and apologized for errors and omissions on their part. He reported that they have had many good conversations with Tom Paquin and have outlined a course of action in two letters sent to the Department of Natural Resources.

He described four basic points they wanted to cover:

- Departures will be scheduled for 11:00 a.m. on Wednesday following the race.
- The CYC can "dis-invite" boaters from race.
- The DNR can write tickets for offenses.
- CYC dock personnel will be stationed in a corner of the dock office and not on a boat; therefore they will be easily accessible either on the docks or in the office.
- The race rules will be attached as a special flyer in each skipper's packet.

Commissioner Giffin asked if anyone attending the meeting from the CYC had been before the Waterways Commission the last time there was a problem with the race; two members indicated they had appeared before the Commission before. Commissioner Giffin stated the Waterways Commission was serious the last time problems were

encountered during or after the race. He also stated he knew that Bay Harbor and Charlevoix had experienced problems with unruly boaters who docked in those locations after the race. He believes a few are spoiling it for the law abiding boaters. Commissioner Giffin expressed his dissatisfaction with the violators and believes it would be appropriate to ban the five (5) boats who did not abide by the stated timelines from the race for one year. Upon motion of Commissioner Opolka, seconded by Commissioner Beauregard, it was unanimously

RESOLVED, that the Michigan State Waterways Commission does hereby ban the boats which did not abide by the agreed upon timelines in the contract for the Chicago to Mackinac 2003 Race from using slips in the Mackinac Island Harbor for the 2004 Chicago to Mackinac Race and recommends that the Chicago Yacht Club ban those boats from the race in 2004.

Mr. Bill Boik stated the DNR is satisfied that the City of St. Joseph has complied with the corrective measures at West Basin Marina as stipulated by the DNR.

Mr. David Thayer, Village of Lexington Manager stated the public marina is very vital to his community. Has had a long term relationship agreement with the DNR, and they have taken a 90 day window to review the contract as the Village wanted to see if they viably afford to own and manage the marina. Last February the Village Council's study group visited 10 marinas similar to their own and, based on those visits and their own calculations, they believed assuming ownership of the marina was viable. The change has local public support as the community believes it will be a great stimulus for economic advancement. Mr. Thayer stated they have met with DNR staff and look for a December 1, 2003 transfer.

Commissioner Beauregard inquired if the Central Reservation System will still be utilized by the Village and Mr. Thayer responded that, to his knowledge, it would continue.

Commissioner Giffin asked about seasonals, and looked for assurance that the private marina owners are comfortable with this transition.

Mr. William G. Oldford, Sr. and Mr. William Oldford, owners of Oldford's Marina in Lexington, were present to provide their views.

Mr. Thayer stated the Oldfords served on the study group organized by the Village to review the feasibility of the Village owning the marina. He stated that as the facilities are not exactly the same, there will be no undue bearing on the private marina.

Mr. Thayer stated that part of the plan is to look at seasonals to help build their cash flow as their intention is to build a fund balance, and then to reduce the number of seasonal slips requested. Commissioner Giffin cautioned that the cash flow problem will be village's problem and that they must deal with whatever shortfall they encounter without imposing unrealistic parameters.

Commissioner Giffin stated that transient boaters also bring new money to town.

Mr. Thayer stated they have 108 slips at the marina, 30 of which will be available as seasonal, as opposed to the current 2 slips. He stated they are the number one transient area on eastern side of state. Commissioner Beauregard said he believes they are hurting themselves with this arrangement. Mr. Thayer stated they plan to keep the Village and the marina finances separate for better record keeping and evaluation. He stated that Michigan State Representative Stephen Ehardt has been a strong supporter for this change and believes it will be a strong economic push for the financially depressed community; the change to 30 slips is a starting point and an integral part of the plan. Commissioner Giffin agreed with Commissioner Beauregard.

Mr. Thayer stated the Village believes their plan can be successful and that they have a good mix planned for seasonal and transient boaters. He stated they looked at the history of the marina and have decided to reserve 12 seasonal slips and the rest have been grandfathered in.

Commissioner Winn asked Mr. Thayer if he had figures on occupancy rates at the marina for this past season. Mr. Thayer responded that he did not have them with him.

Commissioner Beauregard stated he can't see that they can work into taking seasonal slips back.

Mr. William Oldford, Oldford's Marina, Inc. stated they learned of the plan by the Village for 30 seasonal slips only last year. He stated they do have some concerns with the proposed seasonal/transient plan of the Village. They have been in business since 1986, and have 75 45-foot slips; since they opened, they have been full only 3 times. This past year they had 15 vacant seasonal wells. In 2003, they turned away 4 boats they could not accommodate due to their large size. He does not believe there is a large demand for seasonal wells and stated they found that the transient boaters they serve are the ones who contribute greatly to the local economy.

He also expressed concern over the price differential for the slips in his facility. He believes it is not a level playing field. He would prefer a higher pricing fee imposed for seasonal slips at the municipal marina. However, he is not concerned if the public facility provides seasonal slips for boats over 45 feet.

Commissioner Beauregard commented that larger slips are in great demand.

Mr. Boik stated this topic was brought before the Waterways Commission as an information only issue. He stated this is making its way through the process and there is no need for the Commission to act on this. Staff will continue to work with the village.

Mr. Boik presented the Waterways Mooring Program report. Included in the report were the Grant-In-Aid Mooring program description for the St. Ignace, St. James

Township/Beaver Island and Traverse City projects; The State Harbor Program description for the Cedar River, Cheboygan Lock and Dam, Detroit Tri-Centennial, Detour, Fayette State Harbor, Hammond Bay State Harbor, Mackinaw City, Mackinac Island, Presque Isle and East Tawas projects.

Also included in the report were the Harbors and Docks Lump Sum Account Projects for Engineering Studies for Charlevoix, Garfield Township in Naubinway, Harrisville, Manistee, Munising, St. Clair, Whitehall and Lexington (state); the Infrastructure Improvements for Charlevoix, Leland, Ludington and Port Austin (state), New Buffalo, Port Sanilac, Alpena, Manistee and Muskegon; State Harbor Dredging for Lexington, Mackinac Island, Au Gres, Port Austin, Little Lake, East Tawas, Lac LaBelle, Presque Isle, Copper Harbor, Eagle Harbor, Fayette, Detour, Whitefish Point, Hammond Bay.

Also described were the State Boat Access Site Projects for Camp Lake, Crystal Lake, East Tawas, Lake Avelon, Lake George, Marble Lake, Morrison Lake, Ocqueoc River Mouth, Pickerel Lake, Pigeon Lake, Pine Hill, Randal Lake, Sherman Lake, Whitmore Lake and Yankee Springs.

Commissioner Giffin stated he doesn't like the style of electric posts that were installed in some of the marinas and questioned why they were still being installed after the Commission had expressed their desire for a different style. Mr. Boik stated that he would check to see if the specifications mentioned a style of post, or only specific electrical requirements.

Commissioner Opolka inquired into the depth of the channel at the Cedar River project. Mr. Boik stated this is an area covered by the United States Army Corps of Engineers (Corps). The Corps and DNR were to have met to discuss this issue, however, the Corps cancelled the meeting and rescheduled it for December, 2003. Informally, the Corps has indicated there are no recreational funds available for any dredging. Commissioner asked if the river will ever be properly dredged, Mr. Boik replied he believed so, but it will take a coordinated effort.

Commissioner Beauregard also commented on the parking at Ocqueoc. He said boaters are not utilizing the parking lot as intended; instead, they drive to the boat launch and park there. It then turns into an enforcement issue.

Mr. Harold Herta, Operations Unit Supervisor, DNR Parks and Recreation, presented the 2004 Fee Schedule, stating that a seasonal slip survey is taken by Michigan State University to help make a determination on the current economic climate for boating and to evaluate the state's fee structure. Commissioner Giffin feels it is realistic to increase rates at some point in time. Upon motion of Commissioner Opolka, seconded by Commissioner Giffin, it was unanimously

RESOLVED, that the Waterways Commission does hereby approve the 2004 Fee Schedules which remain the same as the 2003 rate schedule, with the exception that Bois Blanc and St. Ignace be included in Rate 2.

In addition, the Commission strongly encourages local communities to review their needs and to come before the Commission to request higher rates, if they feel it is necessary. DNR Staff is also to look at more realistic numbers to base rates for the 2005 schedule.

Mr. Herta reported on the seasonal slips situation at Presque Isle stating that overall the system worked quite well for the number of seasonals allotted. He said only one weekend was the harbor full, so it didn't cause hardship for any transients.

Much like the situation at Mackinac Island, Presque Isle has a waiting list for seasonal slips. Out of a total of 120 slips, they have 20 seasonal slips with a waiting list of 15, 98 transient slips and 2 commercial slips. Mr. Herta stated that the recommendation to try this arrangement for one year was successful and didn't affect transient boaters.

Commissioner Giffin asked if there was any merit to increasing number of commercial slips to five. Commissioner Beauregard felt there was no need to set the number higher and that the charter boat owners could approach the Waterways Commission if the need arose.

Mr. Herta will check with DNR staff to see if there is any additional demand for commercial space.

Upon motion by Commissioner Giffin, seconded by Commissioner Beauregard, it was unanimously,

RESOLVED, that the Michigan State Waterways Commission does hereby approve the continuation of the seasonal and transient ratio for the 120 slips at Presque Isle to include 98 transient slips, 20 seasonal and 2 commercial slips for the next boating season.

City of Grand Haven requested a number of special events permits, which were bundled together into one request. Mr. Sec Garcia, Community Services Director for the City of Grand Haven, noted a change for "Poker Runs Offshore, LLC" that moved the date as stated in their letter of request to the Commission from June 18-20, 2004 to July 9-10, 2004.

Commissioner Giffin questioned the need for 54 slips as requested for the Grand Haven Offshore Challenge Race or if the event could get by with 31. Mr. Garcia responded that he was asking on behalf of the race promoters who had requested the extra slips. He stated that the event has consistently been getting bigger and the money raised goes to charity.

Commissioner Spicer made a motion, seconded by Commissioner VanderMolen, that 54 slips be reserved for the Grand Haven Offshore Challenge and the Poker Runs Offshore, LLC. Further discussion revealed that the event has use of slips 32-54 on a first come first served basis. Commissioners Spicer and VanderMolen withdrew the motion.

Upon motion by Commissioner Beauregard and seconded by Commissioner Opolka, with Commissioner Giffin abstaining, it was unanimously

RESOLVED, that the Waterways Commission does hereby approve the following events for the City of Grand Haven for the 2004 boating season: Grand Haven Offshore Challenge, Poker Runs Offshore, LLC, Queens Cup Yacht Race Venetian Boat Parade, 2004 Trawler Fest, Great Lakes Silver Cup Series, and Anchorage Cup all for the use of 31 transient slips; the Coast Guard Festival is approved for 20 slips.

Mr. Ron Dufina, Mackinac Island and St. Ignace restaurant owner, tourism board member and City of Mackinac Island Supervisor, provided the Commission with a packet of letters including letters from Margaret Doud, Mayor of Mackinac Island and Windermere Hotel manager, in support of the Chicago to Mackinac Race.

Mr. Dufina also commented that the upgrades to the St. Ignace marina are wonderful. He commented that his business is up due to increased usage of the marina.

Commissioner Beauregard asked the Chicago contingent if they would like to comment on, from their perspective, any events or situations that were not to their liking, for example, were there any boat inspections conducted by DNR officers? Mr. Dick Schweers, designated island coordinator for the race, replied that they have not had any problems with DNR Law Enforcement Officers. In fact, they found the officers to be very helpful. He stated that it was a simple process to provide registration numbers for all boats in the harbor and that while they have had several problems in the past with boarding and sales tax issues, they no longer have any problems with either. He further stated that any garbage problems experienced in the past have been resolved with the help of Tom Paquin, as Mr. Paquin arranged for a dray to be available for sealed bags and emptied throughout the day. He also commented that the hospitality of the island in general is wonderful.

Commissioner Opolka suggested that the August, 2004 Waterways Commission meeting be held in Menominee in order to participate in the dedication of the Cedar River Harbor.

The meeting was adjourned at 10:45 a.m.